
HOUSE BILL No. 1229

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-20.

Synopsis: Lake County taxes. Increases from \$18,600 to \$30,000 the income eligibility level for the income tax credit for property taxes paid on homesteads in Lake County. Reduces the amount of the credit funded by riverboat admissions taxes in the county.

Effective: January 1, 2003 (retroactive).

Smith V, Brown C

January 8, 2003, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1229

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-20-4, AS ADDED BY P.L.151-2001,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2003 (RETROACTIVE)]: Sec. 4. (a) Except as provided
4 in subsection (b), an individual is entitled to a credit under this chapter
5 if the:

6 (1) individual's earned income for the taxable year is less than
7 ~~eighteen thirty~~ thousand ~~six hundred (\$18,600);~~ **dollars**
8 **(\$30,000);** and

9 (2) the individual pays property taxes in the taxable year on a
10 homestead that:

11 (A) the individual:

12 (i) owns; or

13 (ii) is buying under a contract that requires the individual to
14 pay property taxes on the homestead, if the contract or a
15 memorandum of the contract is recorded in the county
16 recorder's office; and

17 (B) is located in a county having a population of more than

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four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) An individual is not entitled to a credit under this chapter for a taxable year for property taxes paid on the individual's homestead if the individual claims the deduction under IC 6-3-1-3.5(a)(17) for the homestead for that same taxable year.

SECTION 2. IC 6-3.1-20-5, AS AMENDED BY P.L.1-2002, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 5. (a) Each year, an individual described in section 4 of this chapter is entitled to a refundable credit against the individual's state income tax liability in the amount determined under this section.

(b) In the case of an individual with earned income of less than ~~eighteen thirty~~ thousand dollars (~~\$18,000~~) **(\$30,000)** for the taxable year, the amount of the credit is equal to the lesser of:

- (1) three hundred dollars (\$300); or
- (2) the amount of property taxes described in section 4(a)(2) of this chapter paid by the individual in the taxable year.

(c) In the case of an individual with earned income that is at least ~~eighteen twenty-nine~~ thousand ~~four hundred~~ dollars (~~\$18,000~~) **(\$29,400)** but less than ~~eighteen thirty~~ thousand ~~six hundred~~ dollars (~~\$18,600~~) **(\$30,000)** for the taxable year, the amount of the credit is equal to the lesser of the following:

- (1) An amount determined under the following STEPS:

STEP ONE: Determine the result of:

- (i) ~~eighteen thirty~~ thousand ~~six hundred~~ dollars (~~\$18,600~~) **(\$30,000)**; minus
- (ii) the individual's earned income for the taxable year.

STEP TWO: Determine the result of:

- (i) the STEP ONE amount; multiplied by
- (ii) five-tenths (0.5).

- (2) The amount of property taxes described in section 4(a)(2) of this chapter paid by the individual in the taxable year.

(d) If the amount of the credit under this chapter exceeds the individual's state tax liability for the taxable year, the excess shall be refunded to the taxpayer.

SECTION 3. IC 6-3.1-20-7, AS AMENDED BY P.L.178-2002, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 7. (a) The department shall before July 1 of each year determine the amount of credits allowed under this chapter for taxable years ending before January 1 of the year.

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(b) ~~One-half (1/2)~~ **Three-tenths (3/10)** of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable to the county under IC 4-33-12-6(d)(2); and

(2) paid instead to the state general fund.

(c) ~~One-sixth (1/6)~~ **One-tenth (1/10)** of the amount determined by the department under subsection (a) shall be:

(1) deducted during the year from the riverboat admissions tax revenue otherwise payable under IC 4-33-12-6(d)(1) to each of the following:

(A) The largest city by population located in the county.

(B) The second largest city by population located in the county.

(C) The third largest city by population located in the county; and

(2) paid instead to the state general fund.

SECTION 4. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]
IC 6-3.1-20-4, IC 6-3.1-20-5, and IC 6-3.1-20-7, all as amended by this act, apply only to taxable years beginning after December 31, 2002.

SECTION 5. **An emergency is declared for this act.**

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